

Message Text

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TAGS: EFIN, ECON, UN

SUBJECT: UN OVERVIEW COMMITTEE - PLENARY MEETING, MAY 4,
AFTERNOON (AGENDA ITEM 1)

REFS: 1. USUN NEW YORK 1794, 2. USUN NEW YORK 1832

1. THURSDAY AFTERNOON MEETING (MAY 4) WAS HIGHLIGHTED BY
PRC ATTACK ON USSR, STATEMENTS BY UK, FRG, FRANCE, P.G. OF
VENEZUELA, MILLS OF JAMAICA (SPEAKING FOR G-77), AND
UNCLASSIFIED

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RAMBLING, PERSONALIZED, SOMEWHAT HILARIOUS INTERVENTION
BY AMBASSADOR BAROODY OF SAUDI ARABIA, ALL ON AGENDA ITEM
ONE ("REVIEW AND ASSESSMENT OF PRINCIPAL FACTORS AFFECTING
THE WORLD ECONOMY, IN PARTICULAR, THE ECONOMIES OF THE
DEVELOPING COUNTRIES WITH SPECIAL REFERENCE TO THE RELA-
TIONS BETWEEN THE CURRENCIES OF THE DEVELOPING AND THE
DEVELOPED COUNTRIES, WITH PARTICULAR REGARD TO THE
DEVELOPMENT PROBLEMS OF THE DEVELOPING COUNTRIES").

2. PRC ATTACKED SOVIET'S ATTEMPT TO LINK DETENTE AND NIEO
AS HYPOCRITICAL SOPHISTRY AND REITERATED ITS ALL-OUT ORAL

SUPPORT FOR G-77 VIEWS AND G-77 PAPER AS BASIS FOR COMMITTEE OF THE WHOLE (COW) DELIBERATIONS ON AGENDA ITEM ONE.

3. UK, FRG, AND FRANCE ALL NOTED THAT DANISH INTERVENTION ON BEHALF OF EC-9 HAD THEIR SUPPORT. UK NOTED ITS PLEASURE ABOUT OVERWHELMING RECOGNITION BY ALL PREVIOUS SPEAKERS OF GLOBAL ECONOMIC INTERDEPENDENCE. UK THEN DISPUTED UN ASSISTANT SECRETARY GENERAL DADZIE'S OPINION (EXPRESSED AT OPENING SESSION MAY 3) THAT INDUSTRIALIZED COUNTRIES HAD TENDENCY TO VIEW LDCS' DEVELOPMENT EFFORTS AS SECONDARY TO ROLE OF INDUSTRIALIZED COUNTRIES IN DEVELOPMENT PROCESS ESPECIALLY IN LIGHT OF EMERGING COW VIEW THAT GLOBAL INTERDEPENDENCE OF PROBLEMS REQUIRED CONCERTED EFFORTS OF ALL COUNTRIES AND THAT ISSUES OF GROWTH, TRADE, ENERGY, CAPITAL FLOWS, AID, AND EXCHANGE RATE STABILITY WERE CONCERN OF ALL. REFERRING TO SOVIET PRESENTATION, UK SPOKESMAN WELCOMED OBFUSCATED INDICATION THAT SOVIETS WERE PREPARED TO PARTICIPATE IN TRADING SYSTEM THAT WOULD PROVIDE EXPANDED MARKET FOR LDC PRODUCTS.

4. TURNING TO UN UNDER SECRETARY GENERAL RIPERT'S UNCLASSIFIED

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OBSERVATIONS (ALSO MADE MAY 3) ABOUT ENERGY, UK NOTED THAT UN HAD SECTORAL AS WELL AS GLOBAL RESPONSIBILITIES AND, WITHOUT SUGGESTING FORUM, HE SAID THERE SHOULD BE A "FOCUS" ON ENERGY PROBLEMS. HE SAID THAT ENERGY WAS A CRUCIAL ELEMENT FOR BOTH PRODUCERS AND CONSUMERS AND ALL WOULD BENEFIT FROM A BETTER UNDERSTANDING OF ENERGY FACTORS SUCH AS SUPPLY, DEVELOPMENT, RESEARCH, AND NEW SOURCES. HE NOTED THAT THIS WAS A SUBJECT VITAL TO LDC DEVELOPMENT AND THAT CIEC HAD PROVIDED OPPORTUNITY FOR SOME STEPS IN THIS DIRECTION BUT THAT CURRENTLY ONLY NEW WORK WAS BEING UNDERTAKEN IN THE IBRD. HE THOUGHT COW COULD EXAMINE THE PROBLEM AT A FUTURE SESSION AND RECORD THE VIEW THAT ENERGY IS AN ECONOMIC AND DEVELOPMENT SUBJECT THAT REQUIRES CO-OPERATIVE APPROACH. HE CLOSED WITH STATEMENT OF SUPPORT FOR SYG WALDHEIM'S ENERGY PROPOSAL AS SOMETHING TO BE EXAMINED IN TERMS OF GLOBAL INTERDEPENDENCE.

5. FRG ASSOCIATED ITSELF WITH UK VIEWS ON ENERGY AND NOTED THAT FORTHCOMING SUMMIT WOULD BE FOCUSING ON GROWTH AS PRECONDITION FOR ECONOMIC AND SOCIAL DEVELOPMENT WITH EQUITY ADDING THAT FIGHTING INFLATION ESSENTIAL. FRG THEN RANG THE CHANGES ON BENEFITS OF GROWTH WITH EQUITY PROVIDING STABILITY RESULTING FROM AN IMPROVED TRADING SYSTEM WHICH WOULD PROVIDE GREATER RESOURCES THAN ODA, AND THE BENEFITS TO LDCS ACCRUING FROM INCREASED PRIVATE FOREIGN INVESTMENT WITH ITS ACCOMPANYING EMPLOYMENT IMPACT AND TRANSFER OF MANAGERIAL KNOW-HOW AND TECHNOLOGY. FRANCE EXPLICITLY SUPPORTED UK AND FRG ON ENERGY AND INDICATED

INTEREST OF ALL IN COMBATING GROWING PROTECTIONISM.

6. VENEZUELA'S PEREZ GUERRERO, SPEAKING FROM HANDWRITTEN NOTES PREPARED DURING PRESENTATIONS BY OTHER SPEAKERS, WAS LESS THAN WELL ORGANIZED THOUGH ELOQUENT. HE NOTED THAT THE STATEMENTS BY DADZIE AND RIPERT, AND POSITIVE POSITIONS OF GOVERNMENTS, PROVIDED BASIS FOR CONCLUSIONS TO BE REACHED IN NEXT FEW DAYS. HE EMPHASIZED THAT IMPORTANCE OF UNCLASSIFIED

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COW WAS REFLECTED IN VARIOUS ANALYSES OF PROBLEMS FACING THE GLOBAL ECONOMIC SYSTEM AND THAT COW PROVIDED OPPORTUNITY TO AGREE ON COURSE OF ACTION. HE ARGUED THAT POST-WAR SYSTEM WITH ITS EMPHASIS ON ROLE OF FEW COUNTRIES COULD NOT COPE WITH SERIOUS GLOBAL PROBLEMS AS DEMONSTRATED BY ACKNOWLEDGED SLOW RECOVERY AND CONTINUING SEVERE DIFFICULTIES.

7. P.G. CALLED FOR BRINGING LDCS INTO THE PROBLEM-SOLVING PROCESS AND DREW ANALOGY TO WORLD AS SHIP WHICH HAD LOST POWER AND REQUIRED EFFORTS OF ALL ON BOARD TO MAKE IT MOVE TO KEEP IT FROM GOING ON THE ROCKS. IT COULD NOT GO BACKWARDS, AND TOSsing AT THE MERCIES OF A POTENTIAL STORM WOULD SEE ALL LOST. THUS, HE SAID, INTERDEPENDENCE WAS A REALITY, RECOGNIZED BY ALL, AND, SINCE WE ALL KNEW THE GEOGRAPHY, WE MUST ACT TOGETHER. HE NOTED THAT BENEFITS AND RESPONSIBILITIES MUST BE SHARED BY ALL, AND WE MUST MUTUALLY AGREE ON PROCEDURES FOR THE FUTURE. INDUSTRIALIZED COUNTRIES WILL BE THE BENEFICIARIES OF BOTH AN IMPROVED GLOBAL SYSTEM AND LDC GROWTH IN FORM OF TRADE, MONETARY STABILITY, EMPLOYMENT, FOOD, AND IMPROVED STANDARD OF LIVING. IMPROVED MONETARY AND FINANCIAL SYSTEM WILL BENEFIT ALL AND LEAD TO INVESTMENT BY INDUSTRIALIZED COUNTRIES IN THE LDCS. THEY REQUIRE CREATION OF CLIMATE FAVORABLE TO THE INVESTORS WITHOUT HOST COUNTRIES CONSIDERING THEMSELVES LOSERS. P.G. SAW CREATION OF A NEW DIVISION OF LABOR AND ELIMINATION OF UNCERTAINTY, AGAIN WITH BENEFITS FOR BOTH INDUSTRIALIZED AND LDCS.

8. TURNING TO MTN, P.G. CALLED FOR OPENING UP OF NEGOTIATIONS NOW CONCENTRATED AMONG US, EC, AND JAPAN TO CONSIDER SERIOUSLY THE INTERESTS OF ALL COUNTRIES SINCE ALL WILL SUFFER IF MTN CONTINUES TO CONCENTRATE ON INTERESTS UNCLASSIFIED

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AND EFFORTS OF ONLY THE BIG INDUSTRIALIZED COUNTRIES. THERE MUST BE, HE SAID, FULFILLMENT OF TOKYO DECLARATION PRINCIPLES ON PREFERENTIAL TREATMENT FOR LDCS AND AVOIDANCE OF FURTHER PROTECTIONISM. HE ACCEPTED CONCEPT THAT FREE, OPENING TRADING SYSTEM WILL RESULT IN GREATER RESOURCE

TRANSFERS THAN ANY LEVELS OF AID NOW CONTEMPLATED. HE DENIGRATED "EXPLOSION" IN TRADE RESULTING FROM KENNEDY ROUND AS BENEFITING ONLY HANDFUL OF INDUSTRIALIZED NATIONS AND REPEATED CURRENT MTN MUST PROVIDE REAL BENEFITS FOR LDCS.

9. ON INFLATION, P.G. ACKNOWLEDGED THAT ENERGY WAS CLEARLY AN ELEMENT THAT CANNOT BE DISCOUNTED AS SERIOUS FACTOR IN GLOBAL GROWTH. HE EXPRESSED CONCERN ABOUT GREAT WASTE OF ENERGY WHICH MUST BE CORRECTED AND CALLED FOR DEVELOPED COUNTRY ASSISTANCE FOR DEVELOPING NEW SOURCES OF ENERGY IN LDCS AND ELSEWHERE FOR BENEFIT OF ALL.

10. IN CONCLUSION, P.G. NOTED THAT COW WAS OF ESSENTIAL IMPORTANCE IN PROMOTING THE NORTH/SOUTH DIALOGUE AND IDENTIFYING PROBLEMS AND SOLUTIONS TO PROVIDE REAL RESULTS. SOLUTIONS LIE IN THE NIEO, WHICH WILL HELP PROVIDE FOR THE BASIC NEEDS OF THE LDCS WITH THE HELP OF THE INDUSTRIALIZED COUNTRIES. ALL OF THIS WILL TAKE A LONG TIME HE SAID AND REQUIRE ALL WORKING TOGETHER TO BREAK VICIOUS CIRCLES.

11. AMB. MILLS OF JAMAICA OPENED HIS SHORT INTERVENTION ON BEHALF OF THE GROUP OF 77 BY OBSERVING THAT MAKING STATEMENT AFTER BAROODY OF SAUDI ARABIA WAS AN ANTICLIMAX AND NOTED THAT BAROODY'S PRESENCE AT COW WAS CLEAR SIGN OF IMPORTANCE OF THE COW. MILLS APPLAUDED HIGH QUALITY OF SECRETARIAT PRESENTATIONS MAY 3 AND SUBSEQUENT COUNTRY STATEMENTS WITH THEIR UNIVERSAL RECOGNITION OF GLOBAL ECONOMIC INTERDEPENDENCE. HE SAID HE SAW BROAD RECOGNITION OF THE GRAVITY OF THE CURRENT INTERNATIONAL ECONOMIC SITUATION WITH THE OLD ORDER DYING AND AGREEMENT ABOUT NEED FOR UNCLASSIFIED

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CHANGE. HE SAID THAT LDCS WERE THE "ENGINES OF GROWTH" WHICH COULD CONTRIBUTE TO FUTURE WORLD PROSPERITY BUT CLEARLY THEY REQUIRED TRANSFER OF RESOURCES TO HELP GLOBAL DEVELOPMENT. IN PONDERING QUESTION OF WHETHER STRUCTURAL CHANGE HAD TO PRECEDE GLOBAL ECONOMIC GROWTH OR VICE VERSA, HE OPTED FOR STRUCTURAL CHANGES AS THE INITIAL STEP TO STIMULATE LDC ECONOMIES BECAUSE CONVENTIONAL EXPANSION OF INDUSTRIAL ECONOMIES WILL TAKE TOO LONG. HE SAID LDCS CAN HELP IN THIS PROCESS AND HOPED THAT THESE TWO VIEWS ARE BRIDGEABLE.

12. MILLS CALLED FOR ADEQUATE MEANS AND INSTITUTIONS TO HELP LDC BALANCE-OF-PAYMENTS REQUIREMENTS. HE THOUGHT MAJOR EMPHASIS ON TRADE WAS CORRECT BUT REQUIRED IMPROVED LDC ACCESS TO MARKETS AND CREATION OF A COMMON FUND. HE NOTED OLD SYSTEM CREATED A DEPENDENT ROLE FOR LDCS AND THIS MUST BE REMEDIED THROUGH A SYSTEM THAT TAKES ADVANTAGE OF GLOBAL INTERDEPENDENCE, NOT ONE THAT HOLDS BACK BOTH PEOPLE AND GOVERNMENTS.

13. THEN TURNING TO ECONOMIC ASSISTANCE, MILLS SAID SYSTEM CREATED THIRTY YEARS AGO REFLECTED PERCEPTIONS OF THAT ERA WHICH WERE OF ONLY LIMITED VALUE TODAY BECAUSE AID FLOWS HAD STAGNATED AND STRUCTURAL CHANGE IS NEEDED, NOT JUST MORE AID. POPULAR SUPPORT FOR ECONOMIC ASSISTANCE MUST BE BUILT SO THAT MORE PEOPLE KNOW AND UNDERSTAND WHAT IS INVOLVED, AND IN THIS WAY POLITICIANS AND ADMINISTRATORS WILL LEARN THAT HELPING ECONOMIC GROWTH HELPS POOR PEOPLE.

14. MILLS CLOSED BY OBSERVING THAT DIVERSITY OF COUNTRIES WITHIN THE G-77 IS WELL RECOGNIZED BUT THAT G-77 RIGIDITIES ARE SUBJECT TO CHANGE. HE SAID THAT UNITY OF THE 77 IS VITAL TO CONVEYING THE GROUP'S COMMON INTERESTS BASED ON UNCLASSIFIED

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THEIR COMMON PAST EXPERIENCES FROM WHICH THEY STILL SUFFER IN ECONOMIC TERMS. WITH SIGNS THAT GLOBAL COMMUNITY IS CHANGING MILLS SAID COW WILL REFLECT CHANGES IN ATTITUDE TOWARD THE NIEO. LEONARD UNQUOTE VANCE

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